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SURFACE TRANSPORTATION BOARD

ALVORD AND ALVORD
ATTORNEYS AT LAW
1050 SEVENTEENTH STREET, N.W.
SUITE 301
WASHINGTON, D.C.

20036

(202) 393-2266

FAX (202) 393-2156

E-MAIL alvordlaw@aol.com

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

OF COUNSEL
URBAN A. LESTER

September 27, 2006

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Lease Agreement, Lease Supplement No. 1 and Lease Supplement No. 2, dated as of September 28, 2006, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Lessor: Wells Fargo Bank Northwest, National
Association
299 South Main Street, 12th Floor
Salt Lake City, Utah 84111

Lessee: Duke Power Company, LLC
Duke Energy
526 South Church Street
Charlotte, NC 28202

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A description of the railroad equipment covered by the enclosed document is:

120 Aluminum Coal Gondola Railcars: DKPX 610001 - DKPX 610120,
and

315 Aluminum BethGon® II Railcars: DKPX 620001 – DKPX 620315.

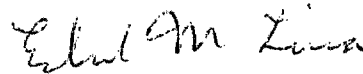
A short summary of the document to appear in the index is:

Memorandum of Lease Agreement, Lease Supplement No. 1 and Lease Supplement No. 2.

Also enclosed is a check in the amount of \$34.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,



Edward M. Luria

RWA/anm
Enclosures

SEP 27 06 4:00 PM
SURFACE TRANSPORTATION BOARD

MEMORANDUM OF LEASE AGREEMENT, LEASE SUPPLEMENT NO. 1 AND LEASE
SUPPLEMENT NO. 2
(Surface Transportation Board)

THIS MEMORANDUM OF LEASE AGREEMENT, LEASE SUPPLEMENT NO. 1 AND LEASE SUPPLEMENT NO. 2, dated as of September 28, 2006, is between WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION, not in its individual capacity but solely as Owner Trustee (the "Lessor"), and DUKE POWER COMPANY LLC, a North Carolina limited liability company (the "Lessee").

The parties to this Memorandum hereby acknowledge and confirm the following:

A. The Lessee has leased from Lessor certain railcars identified on Schedule 1, attached hereto (the "Railcars"), as indicated under Lease Supplement No. 1 and Lease Supplement No. 2 to that certain Equipment Lease Agreement (DPC Trust No. 2006-1), each dated as of September 28, 2006.

B. The parties hereto wish to show for public record this Memorandum and accordingly have caused this Memorandum to be executed by their officers thereunto duly authorized, as of the date first above written.

C. This Memorandum may be executed in counterparts, each such counterpart shall be binding on both parties hereto, notwithstanding that both parties are not signatories to the same counterpart.

[The remainder of this page has been intentionally left blank]

IN WITNESS WHEREOF, the parties have caused this Memorandum to be executed as of the first date herein above written.

DUKE POWER COMPANY LLC AS LESSEE

By: Stephen G. De May

Name: Stephen G. De May

Title: Assistant Treasurer

STATE OF)
COUNTY OF) ss: NORTH CAROLINA
MECKLENBURG

The foregoing Memorandum of Lease was acknowledged before me, the undersigned Notary Public, in the County of Mecklenburg this 27th day of September, 2006 by Stephen G. De May as Assistant Treasurer of DUKE POWER COMPANY LLC, a North Carolina limited liability company.

Phoebe P. Elliott
Notary Public

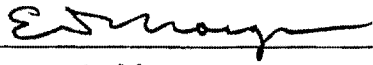
My commission expires: June 26, 2011

[Notarial Seal]

Phoebe P. Elliott
Notary Public
Mecklenburg County, NC

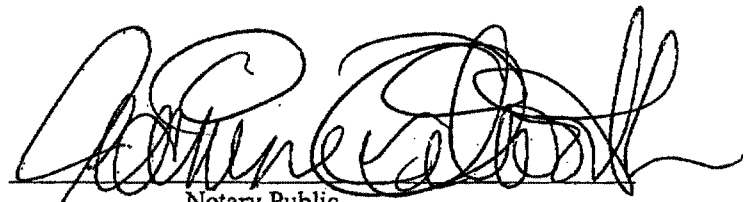
IN WITNESS WHEREOF, the parties have caused this Memorandum to be executed as of the first date herein above written.

WELLS FARGO BANK NORTHWEST,
NATIONAL ASSOCIATION, NOT IN ITS
INDIVIDUALLY CAPACITY BUT SOLELY AS
OWNER TRUSTEE, AS LESSOR

By: 
Name: Eric Morgan
Title: Vice President

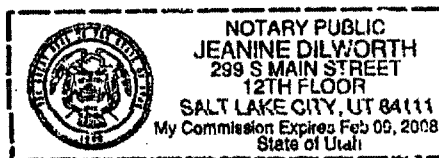
STATE OF Utah
) ss:
COUNTY OF Salt Lake

The foregoing Memorandum of Lease was acknowledged before me, the undersigned Notary Public, in
the County of Salt Lake this day of September, 2006 by Eric Morgan,
as Vice President of Wells Fargo Bank Northwest, National Association.


Notary Public

My commission expires:

[Notarial Seal]



SCHEDULE 1

SEPTEMBER 28, 2006 DELIVERY DATE:

<u>Basic Group #</u>	<u>Description</u>	<u>Car Marks/Numbers</u>	<u>Manufacturer (Year)</u>
A	One Hundred and Twenty (120) 122 ton capacity aluminum gondola railcars with non-rotary couplers and 4,402 cubic foot capacity	DKPX 610001 to 610120 (both inclusive)	Trinity North American Freight Car, Inc.
B	Three Hundred and Fifteen (315) 122 ton capacity aluminum "BethGon II" gondola railcars with non-rotary F couplers and 4,520 cubic foot capacity	DKPX 620001 through DKPX 620315 (both inclusive)	FreightCar America, Inc.

CERTIFICATION

I, Edward M. Luria, an attorney licensed to practice in the District of Columbia, the State of Delaware and the Commonwealth of Pennsylvania, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: September 27, 2006

A handwritten signature in cursive script, appearing to read "Ed M Luria", written over a horizontal line.

Edward M. Luria